



<i>Wednesday, June 22, 2016 Closing Prices</i>					
<i>COMMODITY</i>	<i>PERIOD</i>	<i>PRICE</i>	<i>WEEKLY MOVEMENT</i>		
<i>Corn CBOT</i>	<i>July</i>	<i>3.93</i>	↓	<i>36</i>	<i>cents</i>
<i>Soybeans CBOT</i>	<i>July</i>	<i>11.38</i>	↓	<i>20</i>	<i>cents</i>
<i>Wheat CBOT</i>	<i>July</i>	<i>4.59</i>	↓	<i>18</i>	<i>cents</i>
<i>Wheat Minn.</i>	<i>July</i>	<i>5.25</i>	↓	<i>05</i>	<i>cents</i>
<i>Wheat Kansas</i>	<i>July</i>	<i>4.33</i>	↓	<i>23</i>	<i>cents</i>
<i>Chicago Oats</i>	<i>July</i>	<i>2.04</i>	↓	<i>02</i>	<i>cents</i>
<i>Canadian \$</i>	<i>Sep</i>	<i>.7788</i>	↑	<i>.50</i>	<i>points</i>

**CORN:** Last week we indicated that we could continue to see the \$4.40 area in corn challenged, and since the June 15 commentary we have challenged the \$4.40 level a total of six times. This shows us the significance of that resistance level as the outcome was a big reversal on June 21. The 62% retracement of the 2014 highs proved to be too much, at least for this rally. We are currently sitting at the first support level on the July contract of \$3.80 - \$4. The price drop from the \$4.40 high is severe, but I believe that we could find good support at the \$3.80 level for the interim and possibly see a bounce in the futures from these levels. For those of you who feel you may have missed the highs, we could see prices back towards the \$4.05 - \$4.20 should you decide you need to sell some of your crop. As for the actual technicals, nothing has really changed as this appears to be just a healthy correction for the price rise we've seen - albeit a severe correction. Support levels on the July contract are at \$3.80 - \$4 based on Chicago July futures and our shorter term indicators are neutral, but the main trend is still down.

**SOYBEANS:** Soybeans have pulled back from our target of \$12 to our first resistance level of \$11.25 as of June 22. This action is a correcting action and was needed to preserve a healthy market going forward as the move to the \$12 level signalled a 50% rally from the highs of 2014 to the lows of 2016. The big question we have is how much of a correction we will see. Our initial support is at \$11.25 while the next leg down could challenge the \$11 mark on the July contract. If we do not close below \$11 and recover, we may eventually see a renewed move to challenge of the \$12 mark in the coming weeks. Good support is now seen at \$10.75 and again around \$10.40, while overhead resistance remains at \$11.90 - \$12.10. This 2016 move on the Soybeans has been significant and if we fail to clear the \$12.08 high during July, we may have seen the highs for the summer. Short and medium term indicators remain neutral to bullish, while the long term trend is still negative.

**WHEAT:** Again wheat proves to be the weak link in the grains as the correction since the June 8 highs was quite severe. After reaching our target price of the \$5.25 two year old trend-line on



the wheat, the wheels came off as we dropped 65 cents since that high. We are currently back to the main support levels of \$4.50 on July and are in need of positive news to turn this market higher. As with the corn and to a lesser extent, soybeans, wheat has seen its price fall sharply since its recent highs. The technicals on the wheat are not as positive as its counterparts but do show support at the \$4.40 - \$4.50 level. Below that level, we are looking at the \$4.25 price on the lead month contract. According to my charts, we may have seen the highs in wheat for at least the month of July but only time will tell the true story. Both the daily and weekly indicators have flashed initial sell signals and the main trend continues to be down.

**HARVEST 2016 CROP CASH PRICES as of CLOSE on June 22, 2016**

SWW @ \$192.81/MT (\$5.25/bu), HRW @ \$190.45/MT (\$5.18/bu),  
HRS @ \$223.93/MT (\$6.09/bu), SRW @ \$190.45/MT (\$5.18/bu).

Marty Hibbs, Grain Farmers of Ontario